

AMENDED IN ASSEMBLY MARCH 25, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1323**

**Introduced by Assembly Member Jackson**

February 21, 2003

---

---

An act relating to student financial aid, ~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1323, as amended, Jackson. Student financial aid: Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program: decentralized campus-based approach.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

This bill would ~~express legislative intent to direct the Student Aid Commission to implement, by March 1, 2004, a decentralized, campus-based approach for the delivery of Cal Grant awards. The bill would require the Student Aid California Postsecondary Education Commission to establish an Entitlement a Cal Grant Delivery Transition Delivery Logistics Work Group and a Competitive Cal Grant Transition Delivery Logistics Work Group, with prescribed membership, to discuss, negotiate, and resolve technical and logistical~~

issues relating to the transition to a decentralized, campus-based approach for the administration of ~~these respective categories of Cal Grant awards~~ award programs. *The bill would require the commission to submit a plan for the implementation of this decentralized, campus-based approach to the Legislature by December 31, 2004.*

~~The bill would declare that it is to take effect immediately as an urgency statute.~~

Vote:  $\frac{2}{3}$  majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) It is the intent of the Legislature to  
 2 accomplish ~~both~~ all of the following:  
 3 ~~(a) To endorse the proposal to move to a decentralized,~~  
 4 ~~campus-based approach to the delivery of both Cal Grant~~  
 5 ~~entitlement and competitive awards, an approach that is more~~  
 6 ~~consistent with the federal student aid delivery system.~~  
 7 ~~(b) To direct the Student Aid Commission to implement a~~  
 8 ~~decentralized, campus-based approach, as set forth in Sections 2~~  
 9 ~~and 3 of the act adding this section, by March 1, 2004.~~  
 10 SEC. 2. ~~(a) The recommended decentralized, campus-based~~  
 11 *(1) The establishment of a decentralized, campus-based*  
 12 *delivery approach for Cal Grant entitlement awards awards that*  
 13 *includes all of the following:*  
 14 ~~(1)–~~  
 15 (A) Continuing a merit component in the Cal Grant Programs  
 16 as reflected in the minimum grade point average requirements.  
 17 ~~(2)–~~  
 18 (B) Allowing student choice of postsecondary education  
 19 institutions.  
 20 ~~(3)–~~  
 21 (C) Allowing students to renew their Cal Grant awards,  
 22 provided that they continue to demonstrate financial need.  
 23 ~~(4)–~~  
 24 (D) Continuing, at the same level as now exists, student  
 25 portability of their Cal Grant award.  
 26 ~~(5)–~~  
 27 (E) A resource component reflected in the income and asset  
 28 ceilings and minimum need requirement.

~~(6)–~~

(F) Provisions that encourage students to enroll in college directly out of high school.

~~(7)–~~

(G) Application deadlines that serve as rationing mechanisms for limited state resources.

~~(b) Under the recommended decentralized, campus-based delivery approach, an eligible postsecondary education institution would do all of the following:~~

~~(1) According to state law and Student Aid Commission guidelines and regulations, determine students' eligibility for new or renewal Cal Grant A, B, and Community College Transfer entitlement awards. Institutions would make this determination using information from students' institutional student information records (expected family contribution, residency, appropriate income and asset ceilings), the institutions' own student expense budgets, high school graduation dates, and grade point averages (GPAs) contained in the comprehensive grade point average database to be developed and maintained by the California Student Aid Commission.~~

~~(2) Include Cal Grant awards in their typical financial aid award letters to students.~~

~~(3) Electronically transmit students' awards, education level, and any other data in a timely manner, as required by the Student Aid Commission for payment, to maintain the Student Aid Commission's records relating to students' remaining Cal Grant eligibility, and for future research and policy planning purposes.~~

~~(4) Provide data as required by the Governor, Legislature, and the Student Aid Commission needed for program accountability, planning, and performance reporting purposes.~~

~~(e) Under the recommended decentralized, campus-based delivery approach, the Student Aid Commission would do all of the following:~~

~~(1) Retain responsibility for policy, planning, and research concerning statewide student financial aid programs, including the Cal Grant Programs, analyzing the need for additional statewide student financial aid programs and additional state funding for these programs, as well as understanding, documenting, and publicizing total student need and unmet student financial need.~~

- 1     ~~(2) Develop and maintain a comprehensive database~~  
2     ~~containing information concerning grade point averages and high~~  
3     ~~school graduation dates.~~  
4     ~~(3) Develop and maintain a database accessible to~~  
5     ~~postsecondary education institutions participating in the state's~~  
6     ~~Cal Grant programs that tracks students' remaining Cal Grant~~  
7     ~~eligibility. Institutions would use this database to determine a~~  
8     ~~student's continued eligibility for the renewal of his or her Cal~~  
9     ~~Grant award.~~  
10    ~~(4) Issue payments to postsecondary education institutions on~~  
11    ~~behalf of the students identified by the institutions as eligible.~~  
12    ~~(5) Develop rules for institutional participation in the Cal Grant~~  
13    ~~Programs.~~  
14    ~~(6) After consultation with all affected constituencies, publish~~  
15    ~~appropriate rules, regulations, guidelines, and procedures relating~~  
16    ~~to all aspects of the decentralized, campus-based Cal Grant~~  
17    ~~Entitlement Award program.~~  
18    ~~(7) Revise its program review and institutional audit practices~~  
19    ~~as needed in light of the recommended changes in the Cal Grant~~  
20    ~~Entitlement award delivery process.~~  
21    ~~(8) Retain responsibility for outreach to students relating to the~~  
22    ~~student financial aid writ large, including publicizing and~~  
23    ~~promoting student financial aid programs statewide.~~  
24    ~~(d) Under the recommended decentralized, campus-based~~  
25    ~~delivery approach, students would continue to be responsible for~~  
26    ~~all of the following:~~  
27    ~~(1) Filing a Free Application for Federal Student Aid (FAFSA)~~  
28    ~~by the March 2 deadline, and submitting any updates to the federal~~  
29    ~~processor.~~  
30    ~~(2) Working with the school financial aid office to establish~~  
31    ~~their complete financial aid package, including their eligibility for~~  
32    ~~a Cal Grant award.~~  
33    ~~(3) Responding to prompts when additional information is~~  
34    ~~required to process their applications for student financial aid.~~  
35    ~~(4) In limited circumstances, submitting a GPA Verification~~  
36    ~~Form if their high school does not transmit their grade point~~  
37    ~~average information or high school graduation data to the Student~~  
38    ~~Aid Commission.~~  
39    ~~(e) (1) An Entitlement Cal Grant Transition Delivery~~  
40    ~~Logistics Work Group shall be established by the Student Aid~~

1 (2) To make as simple as possible the process by which students  
2 apply for and receive student financial aid from the state. As such,  
3 the Legislature declares that students should not have to interact  
4 with many different entities in order to determine their eligibility  
5 for Cal Grant awards.

6 (3) To simplify the overall student financial aid process so that  
7 the process is as cost-effective and efficient as possible. To the  
8 extent that cost savings are derived from improvements in the  
9 student financial aid delivery process, the Legislature finds that  
10 these funds can be used to provide grant aid to additional  
11 financially needy students and to further improve upon the  
12 information and outreach that is provided to students, thereby  
13 enhancing their knowledge of the application process and the  
14 availability of student financial aid.

15 (4) To eliminate duplicative activities and costs associated with  
16 determining students' financial need that exist in the current Cal  
17 Grant delivery process.

18 (5) To make the delivery of state-based student financial aid as  
19 simple as possible to ensure that the student financial aid  
20 application and delivery process does not, in and of itself,  
21 constitute an additional barrier to students--particularly  
22 low-income and underrepresented students--who seek to obtain a  
23 postsecondary education.

24 (b) (1) A Cal Grant Delivery Transition Work Group shall be  
25 established by the California Postsecondary Education  
26 Commission to discuss, negotiate, and resolve the myriad  
27 technical and logistical issues associated with transitioning from  
28 the current centralized delivery mechanisms to the recommended  
29 decentralized, campus-based approach for the Cal Grant  
30 Entitlement award programs.

31 ~~(2) The Entitlement Cal Grant Transition Delivery Logistics~~

32 (2) The Cal Grant Delivery Transition Work Group shall be  
33 composed, at a minimum, of representatives from the Student Aid  
34 Commission, California's postsecondary education segments, the  
35 State Department of Education, high school counselors and  
36 administrators, practicing student financial aid administrators, the  
37 Department of Finance, the Legislative Analyst's Office,  
38 interested legislative staff, and the California Postsecondary  
39 Education Commission.

~~SEC. 3.—(a) Analyst’s Office, the California Postsecondary Education Commission (CPEC), and other interested individuals or organizations serving at the discretion of CPEC.~~

~~(3) With respect to a transition to a decentralized, campus-based approach, the Cal Grant Delivery Transition Work Group shall analyze and discuss all of the following:~~

~~(A) Transitional and long-term costs.~~

~~(B) Administrative and procedural details.~~

~~(C) Any statutory changes that may be necessary to complete implementation.~~

~~(c) (1) The state shall undertake a transition toward a decentralized, campus-based approach for the delivery of Cal Grant competitive awards that would delegate the task of selecting award recipients to participating institutions while preserving the essential elements of the current Cal Grant competitive program, including all of the following:~~

~~(1)—~~

~~(A) All of the existing eligibility requirements.~~

~~(2)—~~

~~(B) Scoring and selection criteria that reflect the state’s priorities as specified in statute.~~

~~(3)—~~

~~(C) Application deadlines that serve as rationing mechanisms for limited state resources.~~

~~(2) CPEC shall develop a plan for the implementation of a decentralized, campus-based approach for the Cal Grant award programs, and submit this plan, in writing, to the Legislature by December 31, 2004. It is the intent of the Legislature that this plan be implemented by the postsecondary institutions of the state no later than January 1, 2007.~~

~~(b) Under the decentralized, campus-based approach for the delivery of Cal Grant competitive awards, the Student Aid Commission would do all of the following:~~

~~(1) Allocate competitive awards to colleges, which would award them competitively to eligible students based upon criteria established by the state and commission.~~

~~(2) Develop criteria to be used by institutions in selecting competitive Cal Grant award recipients.~~

~~(3) Track remaining eligibility, which institutions would use to determine eligibility awards.~~

1 ~~(4) Issue payments on behalf of recipients identified by the~~  
2 ~~institutions.~~

3 ~~(5) Adapt its program review and audit practices as~~  
4 ~~appropriate.~~

5 ~~(6) Retain responsibility for publicizing and promoting the~~  
6 ~~program to students.~~

7 ~~(c) For the Cal Grant competitive program, participating~~  
8 ~~postsecondary education institutions would do all of the~~  
9 ~~following:~~

10 ~~(1) Initiate the competitive awards based upon selection~~  
11 ~~criteria as defined by the Student Aid Commission and in~~  
12 ~~accordance with current statutory requirements.~~

13 ~~(2) Include Cal Grant awards in their standard award letters to~~  
14 ~~students.~~

15 ~~(3) Electronically transmit students' awards, education level,~~  
16 ~~and any other necessary data to the Student Aid Commission for~~  
17 ~~payment and to maintain commission's records of students'~~  
18 ~~remaining eligibility.~~

19 ~~(4) Report any information to the Student Aid Commission~~  
20 ~~needed for the commission's competitive allocation process.~~

21 ~~(d) Under the decentralized, campus-based approach for the~~  
22 ~~delivery of Cal Grant competitive awards, students would~~  
23 ~~continue to be responsible for all of the following:~~

24 ~~(1) Filing a FAFSA by the March 2 and September 2 deadlines,~~  
25 ~~and submitting any updates to the federal processor.~~

26 ~~(2) Submitting a GPA Verification Form if their high school~~  
27 ~~does not transmit this information electronically.~~

28 ~~(3) Working with the school financial aid office to establish~~  
29 ~~their financial aid package, including their eligibility for a Cal~~  
30 ~~Grant award.~~

31 ~~(e) (1) A competitive Cal Grant Transition Delivery Logistics~~  
32 ~~Work Group shall be established by the Student Aid Commission~~  
33 ~~to discuss, negotiate, and resolve the myriad technical and~~  
34 ~~logistical issues associated with transitioning from the current~~  
35 ~~centralized delivery mechanisms to the recommended~~  
36 ~~decentralized, campus-based approach for the Cal Grant~~  
37 ~~competitive program.~~

38 ~~(2) The Competitive Cal Grant Transition Delivery Logistics~~  
39 ~~Work Group shall be composed, at a minimum, of representatives~~  
40 ~~from the Student Aid Commission, California's postsecondary~~

1 ~~education systems, the State Department of Education, high~~  
2 ~~school counselors and administrators, practicing student financial~~  
3 ~~aid administrators, students, the Department of Finance, the~~  
4 ~~Legislative Analyst's Office, interested legislative staff, and the~~  
5 ~~California Postsecondary Education Commission.~~

6 ~~SEC. 4. This act is an urgency statute necessary for the~~  
7 ~~immediate preservation of the public peace, health, or safety~~  
8 ~~within the meaning of Article IV of the Constitution and shall go~~  
9 ~~into immediate effect. The facts constituting the necessity are:~~

10 ~~In order for the necessary groundwork to be done by the~~  
11 ~~Entitlement Cal Grant Transition Delivery Logistics Work Group~~  
12 ~~and the Competitive Cal Grant Transition Delivery Logistics Work~~  
13 ~~Group in a timely fashion, it is necessary that this act take effect~~  
14 ~~immediately.~~

